

APPENDIX 'A'

BASE YEAR AND AUDIT SCHEDULING

~~**Note:** This base year and audit schedule will be utilized for the Management Related and All Other Expenses Cost Centers until September 30, 2005. As of October 1, 2005, this Appendix will no longer be required.~~

~~The Schedule for Base Year Calendar Year 1991 and Subsequent Base Years and For Scheduling Base Year Audits Will Be Determined As Follows:~~

- ~~1. ——— Participating Nursing Facilities will be grouped into one level of care category and listed in numerical sequence by license number.~~
- ~~2. ——— During the first audit schedule year and every third year thereafter, the first and each subsequent third listed facility will be scheduled for audit.~~
- ~~3. ——— During the second audit schedule year and every third year thereafter, the second and each subsequent third listed facility will be scheduled for audit.~~
- ~~4. ——— During the third audit schedule year and every third year thereafter, the third and each subsequent third listed facility will be scheduled for audit.~~
- ~~5. ——— Newly constructed facilities and facilities that change ownership will be audited after the completion of six months of operations. Thereafter, these facilities will be scheduled to be audited by adding them to the original listing of facilities by license number sequence.~~
- ~~6. ——— Facilities previously licensed but non-participating that subsequently become participating in the Rhode Island Medicaid Program will be audited after the completion of six months of operation. Thereafter, these facilities will be scheduled to be audited by adding them to the last appearing facility license number at the time of certification.~~
- ~~7. ——— Multiple facilities that are operated, managed and/or controlled by an In-State Central/Home Office or an In-State Management Group will be assigned the same base year and will be scheduled for audit by grouping the facilities. The lowest licensed numbered facility will determine the audit scheduling process by applying provisions 2 through 4 above. Additional facilities serviced by the In-State Central/Home Office will not alter base years and/or audit scheduling of its grouping.~~

APPENDIX 'B-A'
ADMINISTRATORS' COMPENSATION

January 1, 2005

<u>NO. BEDS</u>	Max Salary Allowance
1-75	\$63,659
76	\$65,007
77	\$65,334
78	\$65,659
79	\$65,987
80	\$66,309
81	\$66,640
82	\$66,955
83	\$67,284
84	\$67,607
85	\$68,286
86	\$68,958
87	\$69,635
88	\$70,311
89	\$70,911
90	\$71,668
91	\$72,338
92	\$73,017
93	\$73,693
94	\$74,369
95	\$75,039
96	\$75,719
97	\$76,400
98	\$77,078
99	\$77,748
100	\$78,430
Each Additional Bed	\$303

ASSISTANT ADMINISTRATORS WILL BE LIMITED TO THE LOWER OF ACTUAL SALARY PAID OR 75% OF THE ADMINISTRATORS SALARY ALLOWANCE.

APPENDIX 'C' 'B'

ROUTINE SERVICE - NURSING AND MEDICINE CHEST SUPPLIES

Items of service and supplies which have been identified and defined as routine services and allowable in the per diem rate are listed but not limited to those listed below for Nursing Facilities.

ABD pads	Catheter plugs
A & D ointment	Catheter tray
Adrenal I.M.	Catheters (any size)
Air mattresses	Colostomy bags
Air P.R. mattresses	Composite pads
Airway - oral	Cotton balls
Alcohol	Crutches
Alcohol plasters	"Customized" crutches, canes, and
Alcohol sponges	wheelchairs
Antacid suspensions	Decubitus ulcer pads
Antipruritic oil	Deodorants
Applicators, cotton tipped	Disposable underpads
Applicators, swab-eez	Donuts
Aquamatic K pads (water-heated pad)	Douche bags
Arm slings	Drain tubing
Asepto syringes	Drainage bags
Adhesive tape	Drainage sets
Baby powder	Drainage tubes
Bandages	Dressing tray
Bandages - elastic or cohesive	Dressings (all)
Band-aids	Drugs, nonlegend
Basins	Drugs, stock; excluding insulin
Bed frame equipment (for certain	
immobilized bed patients)	Enema can
Bed rails	Enema-Fleets
Bedpan, fracture	Enema-retention
Bedpan, regular	Enema soap
Bedside tissues	Enema supplies
Benzoin, aerosol	Enema unit
Bibs	Enemas
Bottle, specimen	Eye pads
Canes	Feeding tubes
Cannula-nasal	Female urinal
Cascara (1 oz.)	Flotation mattress
Catheter, indwelling	Flotation pads and/or turning frames

ROUTINE SERVICE - NURSING AND MEDICINE CHEST SUPPLIES

(Cont'd)

Folding foot cradle	Medicine dropper
Gastric feeding unit	Methiolate aerosol
Gauze sponges	Milk of magnesia
Gloves, unsterile and sterile	Mineral oil
Gowns, hospital	Mouthwashes
Green soap	Nasal cannula
Hand, feeding	Nasal catheter
Heat cradle	Nasal gastric tubes
Heating pads	Nasal tube feeding
Heel protector	Needles (various sizes)
Hot pack machine	Needles-hypodermic-scalp, vein
Ice bags	Non-allergic tape
Incontinency care	Nursing services (all) regardless of level, including the administration of oxygen and restor. nursing care
Incontinency pads and pants	Nrsng suppl./dressings (other than items of prsnl comfirt/ cosmetics)
Infusion arm boards	Ointment (non-prescription), skin
Inhalation therapy supplies	Overhead trapeze equipment
Aerosol Inhalators, self contained	Oxygen equipment (such as IPPB machines and oxygen tents)
Aerosol (other types)	Oxygen mask
Nasal catheter insertion and tube	Oxygen tank for emergencies
Nebulizer and replacement kit	Pads
Steam vaporizer	Peroxide
Intermittent positive pressure breathing machines (I.P.P.B.)	Pharmaceuticals, non-prescription
Invalid ring	Pitcher
Irrigation bulbs	Plastic bib
Irrigation trays	Pumps (aspiration and suction)
I.V. trays	Restraints
Jelly-lubricating	Room and Board
Keolin and pectin solution	Sand bags
Linens, extra	Scalpel
Lotion, soap and oil	Sheepskin
Male urinal	Special diets
Massages (by nurses)	Specimen cups
Medical social services	

ROUTINE SERVICE - NURSING AND MEDICINE CHEST SUPPLIES (Cont'd)

Sponges
Sterile pads
Stomach tubes

Suction catheter
Suction machines
Suction tube
Suppositories
Surgical dressings (including sterile sponges)
Surgical pads
Surgical tape
Suture removal kit
Suture trays
Syringes (all sizes)
Syringes, disposable

Tape for laboratory tests
Tape (non-allergic or butterfly)
Testing sets and refills
Tongue depressors
Tracheostomy sponges
Tray service
Tubing - I.V. trays
Blood infusion set
I.V. tubing

Underpads
Urinary drainage tubs
Urinary tube and bottle
Urological solutions

Walkers
Water pitchers
Wheelchairs

CHART OF ACCOUNTS WITH EXPLANATIONS IN SUMMARY FORM Appendix ~~D~~'C'

**ACCOUNT
NUMBER**

INCOME

0300	<u>GROSS INCOME</u>
0300A	Room and Board - Private-Paying Patients
0300B	Room and Board - Federal Medicare Patients
0300C	Room and Board - State Medicaid Patients
0300D	Room and Board - Veteran Patients
0300E	Room and Board - Blue Cross Patients
0300F	Room and Board - Employees
0300G	Retrospective Adjustment
0301	Sale of Drugs and Supplies
0302	Laboratory Fee Income
0303A	Physical Therapy - Federal Medicare
0303B	Physical Therapy - Private-Paying Patients
0303C	Physical Therapy - Other Patients
0303D	Other Therapeutic Services - Federal Medicare
0303E	Other Therapeutic Services - Private Patients
0303F	Other Therapeutic Services - Other Patients
0304	Utilization Review - Medicare
0305	Laundry Income
0306	Guest and Employee Meals
0307	Vending Machine Income
0308	Income from Empty Beds
0309	Rent
0310	Interest Income
0311	Ancillary Service Income
0312	Meals on Wheels Program
0313	Day Care Program
0314	Other Income (Specify)
0315	Nurse's Aide Training/Competency Evaluation

CHART OF ACCOUNTS WITH EXPLANATION IN SUMMARY FORM Appendix ~~D~~'C'

ACCOUNT
NUMBER

(cont'd)

EXPENSES

PASS THROUGH ITEMS

1451	Real Estate Taxes	Taxes on Real Est./property owned by facility
1451A	Personal Property Taxes	
1451B	Fire Tax	
2512	Fuel	
2513	Gas	
2514	Electricity	
5442	Insurance	Premiums for all institutional insurance
8470	Health Care Provider Assessment	

OTHER PROPERTY RELATED (FAIR RENTAL VALUE)

3452	Interest	Interest on mortgages, loans or notes payable including working capital loans
3453	Rent/Lease	Rent on property leased by facility
3453A	Lease of Equipment	Lease payments
3454	Amortization of Leasehold Improvements	Pro rata share of costs of changes made on bldg leased for business
3455	Building Depreciation	Annual share of estimated depreciation on building
3455A	Building Improvements Depreciation	
3457	Equipment Depreciation	Furniture, fixtures and equipment
3466	Motor Vehicles Depreciation	Cars, trucks, etc.

CHART OF ACCOUNTS WITH EXPLANATION IN SUMMARY FORM Appendix 'D'C'

ACCOUNT
NUMBER

(cont'd)

DIRECT LABOR

4431	Health Care Plan - Employer's Share	Employer's share of health insurance coverage
4432	Other Employee Fringe Ben.	
4440	Payroll Taxes	Employer's share of social security taxes and of Federal and State Unemployment & Disability Insurance
4442A	Insurance-Workers' Compensation	
4511	Maintenance Salaries	Engineers, heating plant employees, watchman, outside maintenance
4521	Salaries	Dieticians, chefs, cooks, dishwashers, helpers
4524	Purchased Dietary Services	Outside services
4531	Laundry Salaries	Laundryman or woman, ironers, seamstress
4538	Purchased Services	Expenses for outside commercial laundry services, linen hire
4541	Housekeeping Salaries	Housekeepers, maids, porters
4548	Housekeeping Purchased Services	
4600	Director of Nurses	
4601	Salaries - R.N.	
4611	Salaries - L.P.N.	
4615A	Physical Therapist - Medicare	Title XVIII-Medicare
4615B	Physical Therapist - Medicaid	Title XIX-Medicaid
4615C	Physical Therapist - Private-Paying	Private-Paying patients
4615D	Physical Therapist - Medicaid other States	
4621	Salaries - Aides & Others	Unlicensed Practical Nurses, Nurses' Aides, Attendant Orderlies
4622A	Purchased Services of R.N.'s	
4622B	Purchased Services of LPN's	
4622C	Purchased Services of N.A.'s	
4715A	Other Therapeutic Services/Medicare	Salary or purchased services
4715B	Other Therapeutic Services/RI Medicaid	Salary or purchased services
4715C	Other Therapeutic Services/Private/Other	Salary or purchased services
4728A	Other Labor-Salaries, Fees	
6415	Medical Director Salary/Fee6711	Physician's Salaries/Fees
6713	Social Worker Salary/Fee	
6751	Recreational Activity Salaries/Fee	

CHART OF ACCOUNTS WITH EXPLANATIONS IN SUMMARY FORM Appendix 'D'C'

(cont'd)

**ACCOUNT
NUMBER**

ALL OTHER EXPENSES OTHER OPERATING COST CENTER

5425	Office Supplies & Printing	Stationary, postage, printing, subscriptions & all supplies
5426	Communications	Telephone, telegraph
5427	Travel-Motor Vehicle	Cost of operating automobile in connection with administrative duties
5428	Conventions, Meetings	Registrations, travel and other
5428A	Education & Seminars	Registrations, travel and other
5429	Advertising & Public Relations	Advertisements, brochures and all promotional expenses
5429A	Advertising - Help Wanted	Advertisements for Aides, Nurses, etc.
5430	Licenses & Dues	Institutional license fees, personal & Institutional membership dues, trade publications, etc.
5433	Home Office/Central Office	Portion other than labor and payroll-related expenses
5443	State Franchise Taxes	Corporation or Owners State Tax
5449	Miscellaneous	
5515	Water & Sewerage	
5516	Maintenance Supplies	Ladders, lumber, paint, working tools
5518	Maintenance Purchased Services and Repairs	Contract fees for repairs and services, window washing, cleaning floors, etc.
5529	Dietary Supplies	Replacement dishes, kitchen utensils, soap and detergents used in kitchen
5532	Linens & Bedding Supplies	Sheets, mattresses, pillows, towels, wash cloths (replacement only)
5539	Laundry Supplies	Laundry soap, bleaches, starch
5549	Housekeeping Supplies	Brooms, brushes, insecticides, polish, soap
5629	Nursing Supplies	Adhesive, dressings, gauze, thermometers, alcohol, powder, and other Medical Supplies as IV & Sc bottle needles & syringes
5629A	-Medicare	
5629B	-RI Medicaid	
5629C	-Private Pay & Other	
5629D	-Medicaid Other States	
5629E	-House	
5724	Pharmacy Supplies	Over-the-counter medicines & drugs such as aspirin, vitamins, etc.
5724A	-Medicare	
5724B	-RI Medicaid	

CHART OF ACCOUNTS WITH EXPLANATION IN SUMMARY FORM Appendix 'D'C'

(cont'd)

ACCOUNT
NUMBER

5724C	-Private Pay & Other	
5724D	-Medicaid Other States	
5724E	-House	
5728	Other Expenses	Other supplies not reported elsewhere-specify
5758	Recreational Supplies	Ceramics, handicrafts, movies, leather
5759	Other	
7411	Administrator (Other than officers/owners)	Person responsible for admin. (no officers/owners)
7412	Officers/Owners Salaries	Compensation paid to officer/owner of the facility
7421	Other Administrative Salaries	Accounting and clerical personnel
7431	Health Care Plan (Employer's Share)	
7432	Other Employee Fringe Benefits	
7433	Home Office/Central Services	Home off., ctl. mgt portion attributable to labor and payroll expenses
7435	Computerized Payroll & Data Processing Charges	
7436	Accounting and Auditing Fees	
7437	Legal Services	
7440	Payroll Taxes	
7442A	Insurance (Worker's Compensation)	
7444A	Utilization Review Medicaid Title XIX	
7449A	Miscellaneous Management Related	
7523	Consultant Fees - Dietary	
7712	Pharmacist Salary or Fees	

Appendix 'E'D'

Rhode Island Department of Human Services						
Means Historical Cost Indexes						
EFFECTIVE JULY 1, 2005 AND SUBSEQUENT						
Dec,2004	Eff. 7/1/2005	Prior Year	Current Year	% Change	Amount per bed	
		135.9	138.8	2.13%	67,406	
EFFECTIVE SEPTEMBER 1 ,2004						
01-Oct	Actual Historical Cost Index		Trend Line	% Change	132.99732	
2003					66,000.00	
2002	1	129.4	129.4	2.78%	61,782.45	64,214.83
2001	2	125.9	125.9	3.37%	59,768.26	62,477.95
2000	3	121.8	121.8	3.13%	57,954.29	60,443.32
1999	4	118.1	118.1	2.07%	56,778.97	58,607.20
1998	5	115.7	115.7	2.30%	55,502.41	57,416.19
1997	6	113.1	113.1	2.17%	54,323.59	56,125.94
1996	7	110.7	110.7	2.41%	53,045.20	54,934.94
1995	8	108.1	108.1	3.25%	51,375.50	53,644.69
1994	9	104.7	104.7	2.35%	50,195.90	51,957.44
1993	10	102.3	2.43 102.3	2.40%	49,019.43	50,766.44
1992	11	99.9	99.9	2.46%	47,842.50	49,575.44
1991	12	97.5	97.5	2.63%	46,616.49	48,384.43
1990	13	95.0	95.0	2.59%	45,439.60	47,143.81
1989	14	92.6	2.44 92.6	2.66%	44,262.22	45,952.81
1988	15	90.2	90.2	2.73%	43,085.97	44,761.80
1987	16	87.8	87.8	2.81%	41,908.35	43,570.80
1986	17	85.4	85.4	3.14%	40,632.49	42,379.80
1985	18	82.8	82.8	4.55%	38,864.17	41,089.55
1984	19	79.2	3.6 79.2	4.76%	37,098.29	39,303.05
1983	20	75.6	75.6	5.00%	35,331.70	37,516.55
1982	21	72	72.0	5.26%	33,566.12	35,730.04
1981	22	68.4	68.4	5.56%	31,798.14	33,943.54
1980	23	64.8	64.8 64.8	6.40%	29,885.47	32,157.04
1979	24	60.9	3.9 60.9	6.84%	27,972.17	30,221.66
1978	25	57.0	57.0	7.34%	26,059.41	28,286.28
1977	26	53.1	53.1	7.93%	24,144.73	26,350.91
1976	27	49.2	49.2	8.85%	22,181.65	24,415.53
1975	28	45.2	45.3 45.2	7.36%	20,661.00	22,430.53
1974	29	42.1	3.1 42.1	7.95%	19,139.42	20,892.15
1973	30	39.0	39.0	8.64%	17,617.29	19,353.77
1972	31	35.9	35.9	9.45%	16,096.20	17,815.40
1971	32	32.8	32.8	10.81%	14,525.95	16,277.02
1970	33	29.6	29.6	5.34%	13,789.59	14,689.02
1969	34	28.1	1.5 28.1	5.64%	13,053.38	13,944.64
1968	35	26.6	26.6	5.98%	12,316.83	13,200.27

Rhode Island Department of Human Services

Means Historical Cost Indexes

EFFECTIVE JULY 1, 2005 AND SUBSEQUENT

		Prior Year	Current Year	% Change	Amount per bed
Dec,2004	Eff. 7/1/2005	135.9	138.8	2.13%	67,406

EFFECTIVE SEPTEMBER 1, 2004

01-Oct	Actual Historical Cost Index		Trend Line	% Change	132.99732	
1967	36	25.1	25.1	6.36%	11,580.32	12,455.89
1966	37	23.6	23.6	7.76%	10,746.40	11,711.51
1965	38	21.9	22.1	1.86%	10,550.17	10,867.89
1964	39	21.5	0.4	1.90%	10,353.45	10,669.39
1963	40	21.1	21.1	1.93%	10,157.41	10,470.89
1962	41	20.7	20.7	1.97%	9,961.17	10,272.39
1961	42	20.3	20.3	3.05%	9,666.35	10,073.89
1960	43	19.7	19.9	3.14%	9,372.07	9,776.14
1959	44	19.1	0.6	3.24%	9,077.94	9,478.39
1958	45	18.5	18.5	3.35%	8,783.69	9,180.64
1957	46	17.9	17.9	3.47%	8,489.12	8,882.89
1956	47	17.3	17.3	2.37%	8,292.59	8,585.14
1955	48	16.9	16.7	3.68%	7,998.25	8,386.64
1954	49	16.3	0.6	3.82%	7,703.96	8,088.88
1953	50	15.7	15.7	3.97%	7,409.79	7,791.13
1952	51	15.1	15.1	4.14%	7,115.22	7,493.38
1951	52	14.5	14.5	3.57%	6,869.96	7,195.63
1950	53	14	13.9	7.69%	6,379.39	6,947.51
1949	54	13.0	1.0	8.33%	5,888.85	6,451.26
1948	55	12.0	12.0	9.09%	5,398.16	5,955.01
1947	56	11.0	11.0	10.00%	4,907.42	5,458.76
1946	57	10.0	10.0	9.89%	4,465.76	4,962.51
1945	58	9.1	9.1	4.60%	4,269.37	4,515.88
1944	59	8.7	0.4	4.82%	4,073.05	4,317.38
1943	60	8.3	8.3	5.06%	3,876.88	4,118.88
1942	61	7.9	7.9	5.33%	3,680.70	3,920.38
1941	62	7.5	7.5	7.14%	3,435.41	3,721.88
1940	63	7	7.1			3,473.75